

## COOPERATIVES SOCIAL RESPONSIBILITY CASE 2

The Problem: Business Citizenship

Your cooperative's home office is located in the suburbs of a thriving community. There are a number of active and effective social agencies in the town, including such organizations as the Red Cross, the YMCA, the Child and Family Service, the Salvation Army, and sundry health funds. Your cooperative has not contributed either funds or manpower in support of these agencies. In the past the board of directors of your cooperative has reasoned that all resources of the association: including money, facilities, equipment and manpower, belong to the members and the board has felt its fiduciary responsibility does not authorize it to share these resources with others in the community. The board's policy has been that participation in, or support of, community charity funds and activities is a responsibility of the individual member.

In the past year some of your directors have begun to question this policy. Your new manager made the following report at the monthly board meeting:

"Today the president of our town's United Appeals Fund visited my office to invite me to head up this year's annual fund drive. He also asked me to arrange for the cooperative to make a financial contribution that would set an example for other business firms in the community. I told him I'd agree to head up the drive, and I believed the cooperative would make a contribution to help me start a successful campaign."

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The co-op board has a policy that encourage employees of the home office to participate in United Appeals Fund and other similar drives as individuals. Home office employees may have their contributions deducted from their pay. The employees of the state office have historically received recognition for their participation and contribution from U.A.

The board also has a policy that encourages supervisory employees to join and actively participate in civic organizations such as Civitan, Rotary, Kiwanis, Lions, JC's, etc. This policy provides for the cooperatives paying the membership fees of supervisory employees (as defined in the policy manual) who maintain active membership.

You are a director. You are faced with making two decisions of immediate importance:

1. Should the manager be permitted to head up the fund drive on company time? Yes\_\_\_\_ No\_\_\_\_ Why?
  
  
  
  
  
  
  
  
  
  
2. How large a contribution should the cooperative make to this charity fund? \$\_\_\_\_\_ Why? (Last year your cooperative paid 1 million dollars in patronage refund to members in three states.)